

## Message Text

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ORIGIN XMB-04

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DRAFTED BY: XMB/AMOHANIAN

APPROVED BY: EB/OCA/REP:JBRABENS

XMB:WARREN W GLICK ACTING VICE PRESIDENT

ARA/BC:AISAACS(PHONE)

EB/IFD/ODF:EMLINTON

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R 241417Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO

UNCLAS STATE 234203

E.O. 11652: N/A

TAGS: APUB, CI

SUBJECT: PRESS RELEASE ON EXIMBANK CREDIT TO CHILE

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE  
DIRECT CREDIT OF \$21,150,00 TO COMPANIA CHILENA DE ELECTRICIDAD  
S.A. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON,  
DC FOR AM PAPERS, FRIDAY, NOVEMBER 1, 1974.

QUOTE: EXIMBAN CREDIT OF \$21 MILLION SUPPORTS \$47 MILLION  
SALE OF US POWER PLANT EQUIPMENT TOCHILE

TO HELP FINANCE A \$47 MILLION SALE OF US EQUIPMENT REQUIRED FOR  
A THERMAL-ELECTRIC POWER PLANT IN CHILE, THE BOARD OF DIRECTORS  
OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED  
A DIRECT CREDIT OF \$21,150,00 TO FINANCE 45 PERCENT OF THE TOTAL  
US COSTS, ACCORDING TO EXIMBANK'S CHAIRMAN WILLIAM J CASEY.

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A CREDIT OF \$21,150,000 FROM PRIVATE SOURCE NOT YET DESIGNATED

WILL FINANCE ANOTHER 45 PERCENT OF THE US COSTS, OF WHICH \$16,450,000 WILL BE COVERED BY EXIMBANK'S FINANCIAL GUARANTEE. THE OBLIGOR, COMPANIA CHILENA DE ELECTRICIDAD S.A. (CHILECTRA), OF SANTIAGO, CHILE, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE US COSTS OF 10 PERCENT OR \$4.7 MILLION. CHILECTRA IS OWNED ALMOST ENTIRELY BY CORPORACION DE FOMENTO DE LA PRODUCCION, (CORFO), THE CHILEAN GOVERNMENT'S DEVELOPMENT INSTITUTION.

CHILECTRA PLANS AN EXPANSION OF THEIR EXISTING VENTANAS POWER STATION WHICH WILL CONSIST OF A 210 MW THERMAL-ELECTRIC GENERATING PLANT. THE PLANT IS LOCATED ON THE SEASHORE AT QUINTERO BY, 35 KM NORTH OF VALPARAISO, AND CONNECTS TO THE CENTRAL ZONE OF THE NATIONAL ELECTRIC INTERCONNECTED SYSTEM. GENERAL ELECTRIC COMPANY OF SCHNECTADY, NEW YORK, WILL BE THE PRIME CONTRACTOR FOR THE MECHANICAL AND ELECTRICAL EQUIPMENT AND SYSTEMS AND THE SUPPLIER OF THE MAIN TURBINE-GENERATOR SET AND ELECTRIC APPARATUS. BABCOCK & WILCOX OF NEW YORK, NEW YORK, WILL SUPPLY THE BOILER AND RELATED AUXILIARIES. TOTAL COST OF THE PROJECT IS ESTIMATED AT \$67 MILLION.

THE LOANS ARE TO BE REPAYED IN 24 SEMIANNUAL INSTALLMENTS BEGINNING MAY 10, 1978. EXIMBANK'S DIRECT CREDIT OF \$21,150,000 WILL BE REPAYED OUT OF THE LAST 12 INSTALLMENTS AT AN INTEREST RATE OF 8 PERCENT PER ANNUM, WHICH WHEN BLENDED WITH THE PORTION OF THE CREDIT FROM PRIVATE SOURCES RESULTS IN AN ESTIMATED COST TO THE BORROWER, BASED ON CURRENT RATES, OF ABOUT 9.32 PERCENT TO 9.57 PERCENT PER ANNUM. REPAYMENT OF ALL LOANS IS TO BE GUARANTEED BY CORFO. UNQUOTE      INGERSOLL

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**Subject:** PRESS RELEASE ON EXIMBANK CREDIT TO CHILE FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE  
**TAGS:** APUB, CI  
**To:** SANTIAGO  
**Type:** TE  
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